

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6283**

**BILL NUMBER: SB 58**

**NOTE PREPARED:** Dec 1, 2008

**BILL AMENDED:**

**SUBJECT:** Property Tax Assessment of Undeveloped Land.

**FIRST AUTHOR:** Sen. Walker

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**      **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill limits to one year the period during which undeveloped land in the inventory of a land developer is not subject to property tax reassessment.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Under current law, land in a developer's inventory may not be reassessed until the next assessment date following the earlier of the following dates: (1) the date on which land is transferred to a non-developer; (2) the date on which construction begins; or (3) the date on which the building permit is issued.

Under this bill, the delay in reassessment would be limited to one year. If a different developer acquires the land within the one-year limit, a new one-year delay period would begin on the acquisition date.

This bill could add additional assessed value to the tax base in the case of property in a developer's inventory that remains undeveloped for more than one year. The additional AV would reduce the tax rate and shift a part of the tax burden to the undeveloped land from all other taxpayers.

The lower tax rate could reduce the exposure to the circuit breaker caps. This could cause an increase in net local property tax collections. The actual impact would depend on the amount of land currently in developers' inventories and the change in the value of that property if reassessed.

In addition, the levy for rate-controlled funds such as cumulative funds would be increased by the product of the added AV multiplied by the tax rate.

**State Agencies Affected:**

**Local Agencies Affected:** Local assessors; Local civil taxing units and school corporations.

**Information Sources:**

**Fiscal Analyst:** Bob Sigalow, 317-232-9859.